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MEMORANDUM FOR: (INTERNAL ADDRESSEES - INTELLIGENCE
AUTHORIZATION BILL

FROM:

Deputy Director for Legislation
Office of Congressional Affairs

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SUBJECT: FY '88 Intelligence Authorization Bill: SSCI
Action

1. On May 20 1987, the Senate Select Committee on Intelligence (SSCI) reported out H.R. 1243, its version of the Fiscal Years 1988-1989 Intelligence Authorization bill. Unlike the House bill, the Senate bill authorizes funds for two years. Attached are copies of the S. 1243 and the accompanying report.

2. The bill now goes to the Senate Armed Services and Judiciary Committees for a 30 day time period. The bill could come to the Senate floor during July.

3. Contained below are highlights from the Senate bill of interest to the Intelligence Community.

Enhanced Counterintelligence Capabilities

4. The bill requires the Attorney General to report annually to the HPSCI and the SSCI regarding the circumstances under which Soviet nationals are admitted to the U.S. despite FBI objections that such persons are known or suspected intelligence officers. The bill also gives the Director of the FBI authority to pay additional compensation to the N.Y. Field Division of the FBI to defray unusually high living expenses.

DoD Intelligence Personnel Improvements

5. The bill provides several new benefits and enhanced

authorities to intelligence components of the DoD. Included in the bill is an allowance for civilian uniforms of Defense Attache chauffeurs, tax exemption for allowances paid to NSA and DIA employees, extension of special termination authorities for DIA civilian employees and civilian employees of intelligence components of the DoD, exemption for DIA from requirement to disclose organizational and personnel data, and a new NSA Graduate level program similar to the program authorized last year for undergraduate students. Many of these proposals were included in the Administration approved version of the Intelligence Authorization Bill.

Congressional Oversight of Intelligence Activities

6. The Senate report notes that serious questions have been raised by the Iran-Contra affair with respect to the effectiveness of the Congressional oversight process. In view of the continuing investigation by the Select Committees examining the Iran-Contra affair, the SSCI agreed to defer taking action in the area of congressional oversight within the context of the Intelligence Authorization Act. However, the SSCI notes in its report that the Committee will establish its own independent audit capability. This capability will be similar to that which exist in the the HAC Survey and Investigation staff.

Assistance to the Contras

7. Unlike the House version of the Intelligence Authorization Act, the Senate bill contains no explicit restriction on paramilitary operations in Nicaragua. It is expected that the House will insist on language restricting expenditure of funds to that which is authorized in separate legislation.

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Attachment as
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